

CORPORATE LICENSEES

PROPOSED AMENDMENTS TO NGC REGULATION 15.585.7-3, CERTAIN TRANSACTIONS PROHIBITED-HOLDING COMPANY.

PURPOSE OF AMENDMENT: To delete the requirement that a holding company must obtain the prior approval of the Nevada Gaming Commission (Commission) before an agreement not to encumber an equity security issued by the holding company shall be effective; to provide that a restriction on the transfer of, or an agreement not to encumber, an equity security issued by a holding company shall not be effective for any purpose whatsoever unless such restriction or agreement is administratively approved in advance in writing by the board chairman or his designee; to take such additional actions as may be necessary or appropriate to effectuate these purposes.

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(Draft date: 10/31/05)

15.585.7-3 Certain transactions prohibited—holding company.

(a) Except as permitted by subsection (b), ~~[no] a restriction[s] on the transfer of, or an agreement not to encumber,~~ an equity security issued by a holding company, whether imposed by the issuer or by the holder or by any other person, shall ~~not~~ be effective for any purpose whatsoever unless such restriction[s] ~~or agreement is~~ [are] administratively approved in advance in writing by the board chairman or his designee [by the commission] or unless such restrictions are otherwise required by the Act or by the regulations. [No agreement not to encumber any equity security issued by a holding company shall be effective for any purpose whatsoever unless such agreement is approved in advance by the commission.]

(b) The following restrictions on the transfer of a security are permitted without the necessity of prior approval pursuant to subsection (a):

(1) Any restriction on resale which is required for compliance with the Federal Securities Act, or the Federal Securities Exchange Act, or a general securities law of any state;

(2) Any restriction which results from a “stop-transfer order” given to a transfer agent by the holder of a security on the grounds that a certificate has been lost or stolen; and,

(3) Any restriction which arises from a binding contract to sell or hypothecate a security in a current transaction which will be consummated, if at all, in nine months or less.

(Effective Date: _____).